



THE QUEEN'S HEALTH SYSTEMS

1301 Punchbowl Street • Honolulu, Hawaii 96813 • Phone (808) 691-5900

June 3, 2019

Mr. Garret Sugai
Kaiser Foundation Health Plan, Inc.
711 Kapiolani Boulevard
Honolulu, HI 96813

RE: Hospital Services Agreements: (1) The Queen's Medical Center and Kaiser Foundation Hospitals ("KFH") (April 1, 2014); (2) North Hawai'i Community Hospital and KFH (October 1, 2012); (3) Molokai General Hospital and KFH (Memorandum of Agreement January 1, 2008).

Dear Mr. Sugai:

This is to confirm receipt of your letter dated May 23, 2019, and termination of the above-referenced Agreements effective May 30, 2019.

This is also to confirm that The Queen's Medical Center, North Hawai'i Community Hospital, and Molokai General Hospital (collectively "Queen's") reject the proposed reimbursement practices set forth in your letter.

Effective May 31, 2019, emergency and non-emergency services (including post stabilization care for members admitted through the emergency room) will be provided to Kaiser commercial members at 100% of billed charges, to Medicare members at Medicare rates, and to Medicaid members at Medicaid rates. Queen's will not notify or seek pre-authorization from Kaiser for services provided to its members.

Members will be billed for any claim for services not reimbursed by Kaiser, in whole or in part, within 30 days of submission.

Should you have any questions, please contact me at 808-691-5329.

Sincerely,

Mich Riccioni
Executive Vice President & CFO

EXHIBIT A

The mission of The Queen's Health Systems is to fulfill the intent of Queen Emma and King Kamehameha IV to provide in perpetuity quality health care services to improve the well-being of Native Hawaiians and all of the people of Hawai'i.